

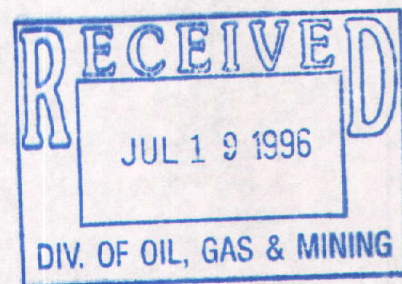


United States Department of the Interior

5/047/064

BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155



IN REPLY REFER TO  
3590  
U-72699  
(UT-930)

JUL 18 1996

CERTIFIED MAIL--Return Receipt Requested

Mr. Mike Lekas  
President  
LEXCO  
P.O. Box 1198  
Vernal, Utah 84078

Re: Mine Plan Approval, Federal Gilsonite Lease UTU-72699

Dear Mr. Lekas:

MINE PLAN APPROVAL

**Background-** The Bureau of Land Management (BLM) Utah State Office, received your mine plan on December 5, 1995. BLM subsequently issued a partial mine plan approval on April 4, 1996. This partial approval was granted in order to obtain additional information for the exact placement of shaft #1. An amendment to the mining plan was received on June 13, 1996.

**Approval-** The mine plan is approved for phase 1 development. Phase 1 development includes Shaft #1 and Shaft #2 and their associated escape ways. The following stipulations and notice(s) will apply to this approval:

**Stipulations-**

1. The Lessee will submit to the Deputy State Director for Natural Resources of the Utah State Office of the BLM, at the above address, a scaled map showing the construction and the survey coordinates (State Plane or metes and bounds description) of each of the mine features, buildings, and vein, within 90 days after construction is complete. The surveyor that conducts the survey will be licenced and shall stamp the drawing. Land features will be shown on the drawing. These will include but are not limited to section corners, roads, and section lines. An updated map will be sent to BLM within 90 days after construction is completed on any new sites.
2. The Lessee will notify the Utah State Office of the BLM in writing, 60 days prior to the construction of Shaft #2 and will submit detailed plans for final approval.



3. The Lessee will submit maps quarterly to the Utah State Office of the BLM showing the amount of material removed in the previous quarter. These will be submitted on Jan. 15, Apr.15, Jul.15, and Oct.15. The maps will be scaled and show the depth of cut and the thickness of the vein at intervals that can be used to verify production. These maps shall be certified by a registered engineer or land surveyor or an official of the company.

4. On January 15 of each year, the Lessee will submit a one-year mine plan to the Utah State Office of the BLM showing the proposed mining sequences for the coming year on a scaled map. The one-year plan will describe the extraction sequence and the projected tonnages for that year.

5. The Lessee will mark the corners of the boundary of the lease with metal fencing posts and metal painted signs at each corner of the lease. The signs will show as a minimum the legal subdivision and the Federal gilsonite lease number. These signs will be located by survey. A scaled copy of this survey (map) will be sent to BLM 180 days after the date of this approval.

**Notice(s)-**

1. Any exploration or any additional surface-disturbing activity not included in the Mine Plan Approval must be approved by the BLM prior to commencement.

2. All stipulations and notices of the Federal gilsonite lease UTU-72699 including reclamation shall apply.

**Bond-** The Lessee has a \$24,000 United States Treasury Bill posted as collateral for bonding purposes to cover obligations for reclamation, rent, and royalties on file with the Utah State Office. This is considered sufficient for shaft site #1. BLM may adjust the bond amount at any time.

**Appeal Rights-** You have 30 days to appeal this approval to the Board of Land Appeals, Office of the Secretary, in accordance with the regulation at 43 CFR Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office within 30 days following the date of this approval. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and the petition for a stay must also be submitted to the Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

For further information contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,

**/s/ G. William Lamb**

G. William Lamb  
State Director

Enclosure  
Form 1842-1



bcc: DM, Vernal  
Utah Division of Oil, Gas, and Mining (Attn. Tony Gallegos)  
Files - UTU-72699  
Chron  
UT-931, SPerkes

SPerkes:sp:jt:07/11/96  
Mineapp